

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6272

BILL NUMBER: SB 169

NOTE PREPARED: Nov 29, 2012

BILL AMENDED:

SUBJECT: Fire Insurance Proceeds Escrow Account.

FIRST AUTHOR: Sen. Head

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires an insurer that issued an insurance policy covering a building or structure that is located in a third class city and is damaged by a fire or an explosion to remit a certain amount of insurance proceeds to the third class city or enforcement authority of the city if the enforcement authority of the city certifies the amount of demolition or rehabilitation the city anticipates incurring or has incurred in connection with the building or structure. (Current law applies only to first or second class cities.) The bill also makes a technical correction.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill could result in third class cities receiving insurance proceeds to recoup certain costs incurred for demolition or rehabilitation of damages to a building or structure caused by a fire or explosion. The specific impact will depend on the number and nature of damages caused by fire or explosions.

State Agencies Affected:

Local Agencies Affected: Cities with populations less than 35,000 people.

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.